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FISCAL IMPACT REPORT

ORIGINAL DATE 2/5/08

SPONSOR Lundstrom LAST UPDATED _____ HM 54

SHORT TITLE Financial Institutions Affairs Committee SB _____

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$0.1 see analysis	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 54 requests that the New Mexico Legislative Council appoint a legislative interim "financial institutions affairs committee" to study legislative issues relating to financial institutions, including a potential reorganization of the constitutional and statutory framework for regulating financial institutions subject to state law in New Mexico, and to the interplay between federal and State Regulation of Financial Institutions. to recommend appropriate actions to address relevant related issues.

This Memorial requests that the newly created legislative interim committee report its findings and make its recommendations to the legislature by November 30, 2008.

Copies of this Memorial should be transmitted to the co-chairs of the New Mexico Legislative Council.

FISCAL IMPLICATIONS

This Memorial may require some travel, per-diem, compilation and manpower to form the requested committee and accomplish the committee's purposes.

SIGNIFICANT ISSUES

This Memorial states that:

- The regulatory framework for financial institutions at federal and state levels is complex and overlapping, and the extent to which New Mexico can regulate financial institutions operating in New Mexico is unclear.
- Problems arising in areas such as mortgage lending, small loans and title insurance illustrate the concern that the present regulatory framework for financial institutions at the state level may be inadequate to protect the interests of New Mexico residents.
- Because the present state regulatory framework for financial institutions in New Mexico was enacted piecemeal over the years and has not been subjected to a comprehensive review, that framework may be inefficient and conflicting and in need of a comprehensive update.
- Modern and evolving technology has given rise to new institutions, such as the internet, that may not be adequately overseen by the current regulatory framework.
- Legislation introduced during recent legislative sessions has addressed different parts of the regulatory framework for financial institutions but has not been coordinated to address the industry as a whole;

PRC/bb